

Harvey, Jason

From: Scrushy, Richard
Sent: Friday, November 08, 2002 9:15 AM
To: Harvey, Jason
Subject: Fw: RE: Thank You

Keep this to yourself. Thanks rs

Sent from my BlackBerry Wireless Handheld (www.BlackBerry.net)

-----Original Message-----

From: Hirsch, Hal <hhirsch@fulbright.com>
To: Scrushy, Richard <rscrushy@healthsouth.com>
Sent: Fri Nov 08 07:38:24 2002
Subject: RE: Thank You

THESE ARE THOUGHTS OF HAL HIRSCH AND NOT FULBRIGHT & JAWORSKI, LLP - TAKE THEM AS YOU LIKE.

Richard:

Like or believe it or not, I have always been there for you and your company and have suffered greatly for it. Your reactions to all that has happened in regard to all that you and the Company have been through is a direct reaction to your relying upon the promise of Lanny Davis that the media and his vision will be your magic bullet. He seems to tell you what you want to hear and when it does not work out he seems to find a fall guy. He has convinced you now that it is me. That is because Lanny Davis FILTERS everything that you hear. Ever wonder why he had mouths all of your people including officers, lawyers and new directors. The billing issues arose because Davis advised that HE would determine how much and if we got paid. From the start Davis has tried to USE the reviews as media props not as you had desired to find out the truth. If they were used as corporate America uses them and the SEC views them then your release and media statements would have said something like, "Scrushy Unaware of 1753 when he sold his stock." That is what we said. Other than being in the Clinton White House as a 'Lawyer' what do you think his media training and experience is? I do not know - do you? Who brought the New York Times to your home? Lanny Davis just did to me on Tuesday with the New York Times what he did to you. I started a business called Corporate Diagnostic with Kemp, Marsh McLennan and others which Davis destroyed in the press. I am dropping out of due to the embarrassment. Listen to your other advisers and get some distance from Davis, you and your company need it. My work is and has been your salvation, particularly given how well the reviews have been received by the SEC. Their use in the media has been dumb but you refuse to listen to anyone but Davis. Why. Please open your ears to the other great advisors you have - new and old - other than me. Davis may wish to push Rediker and others away but they are smart and not under Davis' influence. KEEP YOUR OWN COUNSEL. Did you ever REALLY do diligence on Davis' other clients before you fell under his spell? I have been representing billion dollars companies and have worked out the problems of HUNDREDS OF COMPANIES BUSINESS, LEGAL AND FINANCIAL PROBLEMS FOR OVER 20 YEARS; how many do you think Davis has worked out. I have tutored Davis as to why I cannot withdraw from the SEC representation of HS because it would devastate HS and the capital markets, not to speak of what the SEC, DOJ, FBI and other will think and the confidence that may be lost. Nonetheless, Davis pushes us out. Do you know why; THE MEDIA GAME HAS BEEN A FAILURE. Even the media itself says that. Davis must blame someone. The review is as good a result as any company in this environment could have as a tool. But it is just a tool not magic. The media is not your friend. They make money by writing about problems - you know that. The last vestige of the CMS report tells nothing of you but what your employees knew; THE EXACT INFORMATION THAT YOU AND THE BOARD WANT SO BADLY. Maybe Davis' problem is that the report will NOT blame the employees as he has suggested. You have told me so many times how you need these people. When Davis filters my statements and access to you, as he does with so many other, how do you know what is even going on? My invoice is in your office. I only pushed payment because Davis said that we would NOT get paid. You just do not know how Davis is perceived to be running you behind your back. Who wanted Bob May and the outside Lead Director to 'help' run YOUR COMPANY. Do you remember calling me so many times troubled by this. Who is screaming

transparency when the press is blaming 'bad press' on the HealthSouth problems. NOTE THAT EVERY TIME I SPEAK OR WRITE TO YOU, YOU EITHER TELL DAVIS OR SEND HIM A COPY OF IT. HE THEN TELLS YOU WHY HE IS RIGHT AND WHAT YOU SHOULD SAY - HE SPINS YOU. I have abandoned Corporate Diagnostics, a \$20-50 million PRE SOLD business idea that I started in June that is just now taking off. I am going to severely limit my role in HealthSouth. This is all because of Davis looking out for Davis. I am distancing myself from him as I am tired of being professionally and emotionally hurt by him. I never wanted anything from you and never wanted any glory or press for myself or my Firm. All you ever got from me was damn good advice and results. Even the best bottle of wine is crap if you put it into a cracked glass. You need to VERIFY Davis' advice with others. I suggest ANYONE though since Rediker has all the facts and is lead of your litigation team, that might be a good place to start. I would appreciate you not sharing my counsel to you with others as IT WILL JUST MAKE MY BLEEDING ULCER A GREAT DEAL WORSE. If by some fluke you wish to talk to me you are always welcome to call - even on the weekends. I hope that you and your wonderful family are well.

-hmh

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-----Original Message-----

From: Scrushy, Richard [mailto:rscrushy@healthsouth.com]
Sent: Friday, November 08, 2002 7:18 AM
To: 'hhirsch@fulbright.com'
Cc: 'ldavis@pattonboggs.com'
Subject: Thankyou

Hal as the chairman of the Board of Directors of Healthsouth I am informing you that we the Board have decided that we have all the information we need relative to the review your firm was performing on our company. The 100000 dollars is more than we want to spend for additional review. Have Tom drop me a note as to what his report would give us. I would like for you to send me directly any information you have to date that you expect us to pay for. After review I will let you know if we want any additional information. I am very unhappy with your forcing this last press release and the way you handled the letters after the review. There should be no more billing us on the review to include FTI. Send me what you have and return all files and property except things that Peter Ungar needs for his work with the S.E.C.. I would like to think you would be big enough to understand and respect our position and decisions without destroying the opportunity to have have a future relationship. I will be back in the office on Tuesday and I will review your invoice then and if I believe it is in order I will process for payment as we pay all other bills. Where is your bill? I have not seen it. Did you send it to me. This noise you made in the last few days demanding payment really makes me mad as hell. We pay our bills. You know this and this bickering is unnecessary. Hal I need to give you a little advice about winning friends and influencing people. I have had it with your running over me and demanding Board Meetings. If I called a board meeting to just discuss something you forced on me what do you think the vote would be? I have been the Chairman for 19 years. Now send me your bill and I will take care of it next week and send me any additional information you have and stop the clock on the review. If you want to throw another one of your tantrums and not let us work with Peter than please transition in a professional way. You see the threats of last week were just too much. Richard